World Bank Assistance to States

5966. SHRI VIREN J. SHAH: Will the Minister of FINANCE be pleased to state:

(a) whether World Bank has expressed its readiness to offer upto dollar 500 million to each State Government for undertaking "upfront Reform" in infrastructure taxation and pricing of agricultural inputs as reported in the "Times of India" of the 7th October, 1994;

(b) if so, what are the facts and details in this regard; and

(c) how Government propose to proceed in this proposal with a view to ensure that loans to each State are given according to their requirements and the States carry out the desired reforms efficiently and effectively?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c): There have been some preliminary discussions with the Bank regarding possible structural adjustment loans to State Governments. These loans are intended to be non-project tied and to provide quick disbursing resources to State Governments in support of State level reforms including infrastructure taxation and pricing of agricultural inputs.

Collection of Excise Duty from Powerlooms

5967. SHRI VIREN J. SHAH: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the report published in the Observer of October 17, 1994 under the caption "Powerlooms, Bills evade 1,344 crores excise duty";

(b) if so, what are the facts and necessary details;

(c) what were the targets and actual collection of excise duty from the powerloom and mill sector during the years 1992-93, 1993-94 and 1994-95, separately, and

(d) what machinery has been evolved to detect and check the evasion of excise duty and what are its actual achievements during the period mentioned above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (d) Yes, Sir. Government is aware of the report published in the Observer dated 17.10.94 regarding alleged evasion of duty by powerloom and mill sectors.

In respect of processed fabrics, duties of excise are under-stood to be evaded through clandestine removal, suppression of production, misdeclaration of fabrics and their value. Being concerned at such evasion, the Department has intensified various checks and preventive activities and has taken deterrent action against tax evaders.

Regarding achievements in the area of anti-evasion details of detections made by the Department are given in statement-I. (*See* below)

Besides, the Government have also proposed few changes in the Central Excise Tariff, as part of Budget proposals for 1995-96, which are expected to reduce the scope for disputes and evasion of duty. These include realignment of Chapters on Textiles and Textile articles with the Harmonized Systems Nomenclature levy of excise duty at the rate of Rs. 10 per kilo on waste and scrap of yarn and prescribing the same rate of duty on yarn made predominently from synthetic waste and yarn made from staple fibre.

(c) The details are given in Statement-II (*See* below)

Statement—I

Number of cases and amount of central excise duty involved in the evasion of duty of textiles during last three years.

(Rs. in lakhs)

Year	No. of cases	Amount involved
1992-93	446	2123.75
1993-94	469	1339.08

1994-95 —Details are being collected and will be laid on the Table of the House.

Statement—II

Statement showing the Revised Estimate and actual collections in respect of fabrics of man-made filament yarn and fabrics of man- nade staple fibre during 1992-93, 1993-94- and 1994-95.

(Rs. in crores)

	1992-93		1993-94		1994-95
	RE	Actual	RE	Actual	R.B.E.
(i) Fabrics of man-made filament yarn	400 00	377.60	450.00	478.33	502.20
(ii) Fabrics of man-made staple fibre	330.00	346.44	390.00	436.33	577 70

No separate targets/actual collections are maintained for powerloom/ mill sector.

Duty concession to 'manufacturers

5968. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is no provision in the Central Excise rules and regulations to ensure that the concessions granted by Government in the excise duty to the manufacturers is necessarily passed on to the consumers;

(b) if so, the reasons for such a shortcoming in the rules and regulations and what are the steps taken to ensure that every paise of the excise concession granted by Government is passed on to the common-man; and

(c) if not, the reasons for granting excise duty concession to the manufacturers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI (M.V. CHANDRASHEKARA MURTHY): (a) to (c) The Central Excise Duty concessions are granted to serve different objectives, which inter-alia, may include export promotion, protection to small scale industries, improving competitiveness of the domestic manufacturing sector through reduction in input costs. Their impact on price is also sometimes one of the intended objectives. The market prices, however, are determined by a variety of factors, such as demand